

**DIRECT TESTIMONY**

**of**

**Bryan C. Sant  
Accountant**

**Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission**

**Request for Approval of Revisions to Delivery Services Tariffs  
and for Approval of Delivery Services Implementation Plan for  
Residential Customers**

**Central Illinois Public Service Company, d/b/a AmerenCIPS  
and  
Union Electric Company, d/b/a AmerenUE**

**Docket No. 00-0802**

**April 20, 2001**

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1 **WITNESS IDENTIFICATION**

2 Q. Please state your name and business address.

3 A. My name is Bryan Sant. My business address is 527 East Capitol Avenue,  
4 Springfield, Illinois 62701.

5 Q. By whom are you employed and in what capacity?

6 A. I am an Accountant in the Accounting Department of the Financial Analysis Division  
7 of the Illinois Commerce Commission (Commission).

8 Q. What is the function of the Accounting Department of the Illinois Commerce  
9 Commission?

10 A. The Department's function is to monitor the financial condition of public utilities as  
11 part of the Commission's responsibilities under Article IV of the Public Utilities Act  
12 ("Act") and to provide accounting expertise on matters before the Commission.

13 Q. Please describe your background.

14 A. I received a Bachelor of Business Administration degree with a double major in  
15 Accounting and Finance, and a Masters of Business Administration degree with an  
16 Accounting Emphasis from Idaho State University. I am a Certified Public  
17 Accountant in the state of Illinois.

18 After graduation, I was employed as an auditor with a national CPA firm for one  
19 and one-half years. I joined the Commission in May, 2000.

20 Q. How you previously testified before the Commission?

21 A. Yes, I have previously testified before the Commission in rate cases and in other  
22 proceedings.

23 Q. What are your responsibilities in this case?

24 A. I have been assigned to this case by the Manager of Accounting of the Illinois  
25 Commerce Commission. I am to review Central Illinois Public Service Company's  
26 ("CIPS" or "AmerenCIPS") and Union Electric Company's ("UE" or "AmerenUE")  
27 filing (collectively, "Company"), analyze the underlying data and propose  
28 adjustments and/or recommendations when appropriate.

29 **PURPOSE OF TESTIMONY**

30 Q. What is the purpose of your testimony in this proceeding?

31 A. The purpose of my testimony is to propose adjustments to materials and supplies  
32 inventory, informational & instructional advertising expense, general advertising  
33 expense, Illinois Electric Distribution Tax, social and service club membership  
34 expense, interest on customer deposits, and lobbying expense for CIPS and UE;

35 and reserve for depreciation, property taxes, and charitable contributions for  
36 CIPS.

37 **SCHEDULE IDENTIFICATION**

38 Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.00?

39 A. Yes. I prepared the following schedules for the Company, which show data as of,  
40 or for the test year ending December 31, 1999;

41 Schedule 3.1 CIPS & UE - Adjustment to Materials and Supplies Inventory

42 Schedule 3.2 CIPS & UE - Adjustment to Informational and Instructional  
43 Advertising Expenses

44 Schedule 3.3 CIPS & UE - Adjustment to General Advertising Expenses

45 Schedule 3.4 CIPS & UE - Adjustment to Illinois Electric Distribution Tax

46 Schedule 3.5 CIPS & UE - Adjustment to Social and Service Club Membership  
47 Dues

48 Schedule 3.6 CIPS & UE - Adjustment to Interest on Customer Deposits

49 Schedule 3.7 CIPS & UE - Adjustment for Lobbying Expenses

50 Schedule 3.8 CIPS - Adjustment to Reserve for Depreciation and  
51 Amortization

52 Schedule 3.9 CIPS - Adjustment to Property Tax -- Gas/Electric Allocation  
53 of Real Estate Taxes

54 Schedule 3.10 CIPS - Adjustment to Property Tax -- Springfield General  
55 Office Building's Real Estate Tax

56 Schedule 3.11 CIPS - Adjustment to Property Tax -- 9<sup>th</sup> Street Building's  
57 Real Estate Tax

58           Schedule 3.12 CIPS           - Adjustment to Charitable Contributions

59    **RATE BASE ADJUSTMENT -- CIPS & UE**

60    **OTHER—MATERIALS AND SUPPLIES INVENTORY**

61    Q.     Please describe ICC Staff Exhibit 3.0, Schedules 3.1 CIPS & UE, Adjustment to  
62           Materials and Supplies Inventory.

63    A.     Schedules 3.1 CIPS & UE, Adjustment to Materials and Supplies Inventory,  
64           present my proposed adjustment to reduce the Company's test year materials  
65           and supplies inventory account by the associated accounts payable. My  
66           adjustments limit the amount of materials and supplies inventory reflected in rate  
67           base to the amount that has been funded by investors.

68           The Company did not deduct accounts payable from materials and supplies.  
69           Accounts payable are an integral component of a utility's materials and supplies  
70           inventory. An account payable represents "vendor financing" of purchased  
71           merchandise until it has been paid in full. Since the vendor is financing these  
72           purchases until paid, the investors have no investment in the related materials and  
73           supplies. The materials and supplies inventory included in rate base should be  
74           reduced by the amount of accounts payable related to the inventory because the  
75           Company should not earn a return on inventory until it has been funded by the  
76           investors.

77 Q. Has the Commission found this to be a reasonable adjustment prior to this case?

78 A. Yes. In North Shore Gas Company (Docket No. 95-0031) and Peoples Gas  
79 Light and Coke Company (Docket No. 95-0032), dockets consisting of proposed  
80 general increases in rates for gas service, the Commission found that reducing the  
81 materials and supplies inventory by related accounts payable was "theoretically  
82 sound and consistent with past Commission orders." (Order in Docket No. 95-  
83 0031, page 4; Order in Docket No. 95-0032, page 6). These findings came in  
84 spite of the Companies' assertion that the mere existence of accounts payable  
85 does not indicate a representation of non-investor supplied funds. Also, in  
86 Ameren's prior Delivery Services Tariffs rate case, Docket No. 99-0121, Staff  
87 made the same adjustment. The adjustment was accepted by the Companies.  
88 Further, the Commission found this adjustment to be reasonable.

89 **OPERATING & MAINTENANCE EXPENSES ADJUSTMENTS – ADVERTISING --**  
90 **CIPS & UE**

91 **CUSTOMER SERVICE & INFORMATION EXPENSES - INFORMATIONAL AND**  
92 **INSTRUCTIONAL ADVERTISING**

93 Q. Please describe ICC Staff Exhibit 3.0, Schedules 3.2 CIPS & UE, Adjustment to  
94 Informational and Instructional Advertising Expenses.

95 A. Schedules 3.2 CIPS & UE, Adjustment to Informational and Instructional  
96 Advertising Expenses, reflect my proposed adjustments to remove various items



from the Company's operating expenses because they are of a goodwill nature.  
My understanding of Section 9-225 of the Act is that advertising costs of a goodwill or institutional nature shall not be considered for the purpose of determining rates. Section 9-225 (1) (d) of the Act defines goodwill or institutional advertising as:

any advertising either on a local or national basis designed primarily to bring the utility's name before the general public in such a way as to improve the image of the utility or to promote controversial issues for the utility or the industry.

Section 9-225 (2) further states:

In any general rate increase requested by any gas or electric utility company under the provisions of this Act, the Commission shall not consider, for the purpose of determining any rate, charge or classification of costs, any direct or indirect expenditures for promotional, political, institutional or goodwill advertising, unless the Commission finds the advertising to be in the best interest of the Consumer or authorized as provided pursuant to subsection 3 of this Section. (emphasis added).

Therefore, I am removing the costs of goodwill advertisements from the Company's test year operating expenses.

Q. How did you determine the advertisements were of a goodwill nature?

A. I reviewed transcripts of the advertisements and determined that the specific campaigns identified on Schedules 3.2 CIPS & UE were implicitly for the purpose of improving the image of the company.

I also considered the Company's response to Staff Data Request BCS 2.04. As noted in this response, the Company believes that certain of the advertisements provide customer information, encourages off-peak usage of electricity, warns of service interruptions or emergency conditions, and **goodwill advertising** ("Image" campaign). The advertisements do not contain any information for the customers, encouragement to change usage behavior, or warn of impending interruptions. Rather, the implicit message is to improve the Company's image. Therefore, consistent with the Act, I am excluding from the Company's operating expenses the costs related to goodwill advertising.

Q. Has the Commission previously excluded goodwill advertising from Operating & Maintenance Expense?

A. Yes. In Ameren's prior DST case, Docket No. 99-0121, Staff deducted goodwill advertisements from allowable expenses. Ameren did not oppose this adjustment, and the Commission found it to be reasonable. Also, in Docket No. 90-0128, Contel of Illinois, Inc., the Commission found that advertising that does not promote a particular product, but rather brings a company's name before the public in a manner that promotes image should be disallowed. Contel argued that it is inappropriate to disallow all expenses of goodwill advertising, yet the Commission found Staff's assertion that if any part of an advertisement is disallowable, the cost of the entire advertisement should be disallowed, to be

reasonable. The ensuing discussion concerning internal and external costs of advertising follows the same assertion.

Q. Please describe the basis for the calculation made on page 2 of Schedule 3.2 CIPS & UE.

A. Schedules 3.2 CIPS & UE present my calculations to include in my adjustment the internal labor and other internal allocations that are part of the total cost of these campaigns. As goodwill advertising is not to be included in the Company's operating expenses, I find it necessary to include in my adjustment all the costs of the disallowed advertising campaigns.

The Company provided me with two workpapers with varying costs shown for Account 909, Informational and Instructional Advertising Expense (WPAD-40-1a & WPAD-40-2a). From the response to Staff Data Request BCS 2.03, which seeks a reconciliation of these separately reported amounts, I understand that there is internal labor and other small charges that are not shown on WPAD-40-2a, which reflects the external costs of the major advertisement campaigns. As a reconciliation is not made between the two workpapers, I believe my method of grossing up the external costs of the disallowed advertisements at the same proportion as all advertisements to be a reasonable way to determine the overall costs of goodwill advertising.

159 **ADMINISTRATIVE & GENERAL OPERATIONS – GENERAL ADVERTISING**

160 Q. Please describe ICC Staff Exhibit 3.0, Schedules 3.3 CIPS & UE, Adjustment to  
161 General Advertising Expenses.

162 A. Schedules 3.3 CIPS & UE reflect my proposed adjustments to reduce general  
163 advertising expenses by institutional advertising expenses. As explained  
164 previously, Sec. 9-225 (2) of the Act specifically excludes institutional advertising  
165 from being recovered in rates. The Company identifies these expenses as  
166 institutional (Company workpaper WP-AD-040-1a); therefore, to be consistent  
167 with the Act, I am excluding these costs from the Company's operating expenses.

168 **TAXES OTHER THAN INCOME ADJUSTMENT – CIPS & UE**

169 **ILLINOIS ELECTRIC DISTRIBUTION TAX**

170 Q. Please describe ICC Staff Exhibit 3.0, Schedules 3.4 CIPS & UE, Adjustment to  
171 Illinois Electric Distribution Tax.

172 A. Schedules 3.4 CIPS & UE, Adjustment to Illinois Electric Distribution Tax, reflect  
173 my proposed adjustments to reduce the tax expense based on actual kilowatt  
174 hours distributed in 1999. The Company's filed amount (Ameren Exhibit No. 3.10)  
175 is based on an estimated amount of distributed kilowatt hours for 1999, with a  
176 true-up for the 1998 year. As the actual number of kilowatt hours for the test year

177 is known well before this proceeding began, I concluded that the amount of Illinois  
178 Electric Distribution Tax included in rates should be based on the actual expense.

179 **OPERATIONS & MAINTENANCE EXPENSES ADJUSTMENTS – MISCELLANEOUS**  
180 **– CIPS & UE**

181 **ADMINISTRATIVE & GENERAL OPERATIONS EXPENSES - SOCIAL AND SERVICE**  
182 **CLUB DUES**

183 Q. Please describe ICC Staff Exhibit 3.0, Schedules 3.5 CIPS & UE, Adjustment to  
184 Social & Service Club Membership Dues.

185 A. Schedules 3.5 CIPS & UE, Adjustment to Social & Service Club Membership  
186 Dues, reflect my proposed adjustments to remove certain community  
187 organization's dues from the Company's recoverable miscellaneous general  
188 expenses. Participation in such groups is a promotional and goodwill practice,  
189 which, while perhaps promoting good corporate citizenship and enabling  
190 employees to keep in contact with other members of the business community, is  
191 not necessary in providing utility service. Consequently, the ratepayers should not  
192 be burdened with the expense of the Company taking part in these community  
193 organizations. Therefore, these expenses should be removed from the  
194 Company's recoverable administrative and general expenses.

195 Q. Has the Commission previously excluded community organizations dues from  
196 Operations & Maintenance Expenses?

197 A. Yes. The Commission, in Docket No. 90-0169, a Commonwealth Edison Electric  
198 Rate Case, and Docket No. 90-0128, a Contel of Illinois, Inc. general rate case,  
199 ruled that the shareholders, rather than the ratepayers, should bear the cost of  
200 interfacing with community organizations. The Commission, in its Order in another  
201 Commonwealth Edison's Electric Rate Case, Docket No. 94-0065, affirmed this  
202 position in its ruling to remove the cost of such organizations. Once again, in  
203 Ameren's prior Delivery Services Rate Case, Docket No. 99-0121, the  
204 Commission adopted this position.

205 **CUSTOMER ACCOUNTS - INTEREST ON CUSTOMER DEPOSITS**

206 Q. Please describe Staff Exhibit 3.0, Schedules 3.6 CIPS & UE, Adjustment to  
207 Interest on Customer Deposits.

208 A. Schedules 3.6 CIPS & UE, Adjustment to Interest on Customer Deposits, present  
209 my adjustments to increase the Company's test year operating expense due to a  
210 change in the interest rate allowed by the Commission. This rate is revised by the  
211 Commission annually and the most recent ruling, the Order in Docket No. 00-  
212 0772, allows for a 6.0 percent interest rate. As future interest payments are  
213 based on this rate, it is appropriate to use this rate in calculating the expense  
214 amount to be included in rates.

215 **ADMINISTRATIVE & GENERAL OPERATIONS EXPENSES - MISCELLANEOUS**  
216 **GENERAL (LOBBYING)**

217 Q. Please describe ICC Staff Exhibit 3.0, Schedules 3.7 CIPS & UE, Adjustment for  
218 Lobbying Expenses.

219 A. Schedules 3.7 CIPS & UE, Adjustment for Lobbying Expenses, reflect my  
220 proposed adjustments to remove a portion of the cost of Edison Electric Institute  
221 ("EEI") dues for amounts related to legislative and regulatory advocacy activities.  
222 The audit report drafted by the NARUC Staff Subcommittee on Utility Association  
223 Oversight defines the term "legislative advocacy" consistent with the definition of  
224 the term "lobbying" in the Internal Revenue Code, Section 162 (e). The definition  
225 of "regulatory advocacy" differs only in that it refers to communications with  
226 Federal or State regulatory agencies, not legislators. Both definitions fit the  
227 conditions of Section 9-224 of the Act, which specifically excludes such expenses  
228 for the purpose of determining any rate or charge.

229 Q. Why are the Legislative and Regulatory Advocacy percentages averaged for a  
230 number of years on page 2 of Schedule 3.7 CIPS & UE?

231 A. The 1999 audit report was expected to be issued in early Spring, 2001. It was  
232 recently announced to be delayed up to half-a-year. Without any practical method  
233 of determining the advocacy amounts for 1999, nor any reason to believe the  
234 lobbying activity of the Edison Electric Institute has changed from the recent norm,

235 I deem it appropriate to average the activity for the recent period to calculate a  
236 reasonable amount that should be deducted from the test year dues payments.

237 **RATE BASE ADJUSTMENT - CIPS**

238 **RESERVE FOR DEPRECIATION AND AMORTIZATION**

239 Q. Please describe ICC Staff Exhibit 3.0, Schedule 3.8 CIPS, Adjustment to Reserve  
240 for Depreciation.

241 A. Schedule 3.8 CIPS, Adjustment to Reserve for Depreciation, presents my  
242 proposed adjustment to correct the Company's pro forma adjustment to its  
243 reserve for depreciation and amortization as set forth on Ameren Exhibit No. 3.4.  
244 The Company indicated in its response to Staff Data Request BCS 3.01 that it  
245 used an incorrect amount to reduce the depreciation reserve for the sale of the 9<sup>th</sup>  
246 Street Building. My proposed adjustment makes the needed correction.

247 **TAXES OTHER THAN INCOME ADJUSTMENTS -- CIPS**

248 **PROPERTY TAXES – GAS/ELECTRIC ALLOCATION OF REAL ESTATE TAXES**

249 Q. Please describe ICC Staff Exhibit 3.0, Schedule 3.9 CIPS, Adjustment to Property  
250 Taxes – Gas/Electric Allocation of Real Estate Taxes.

251 A. Schedule 3.9 CIPS, Adjustment to Property Taxes – Gas/Electric Allocation of  
252 Real Estate Taxes, presents my proposed adjustment to (a) reflect the actual real



estate taxes amount for 1999 rather than the estimated amount used by the Company, and (b) to remove from the test year real estate taxes related to gas operations. The amount calculated by the Company and reflected in its Exhibit No. 3.10 is based on an estimated property tax accrual with a true-up for 1998. As the actual 1999 real estate tax expense is known at this time, I propose that the actual amount be included in rates rather than the estimated amount. Also, the actual 1999 amount reflected in my adjustment excludes the real estate taxes related to gas property which the Company had included in its estimated amount. The amount related to gas operations should be excluded from the test year because it is not part of Illinois electric delivery service operations.

Q. Is it incorrect for the Company to estimate its real estate taxes?

A. No. In Illinois, real estate taxes for 1999 are not billed and due until June and September of 2000. Because of this lag, in many cases it is more practical for the Company to estimate its expense and also reverse any differences between the prior year's estimate and prior year's actual bill. In fact, 83 Ill. Adm. Code 285.2075 authorizes the accrual of real estate taxes. However, in this case, the 1999 accrual made by the Company did not reduce the amount for the real estate taxes applicable to gas plant before allocating the remaining amount to electric delivery services.

Q. How does Schedule 3.9 CIPS correct for the inclusion of gas plant expenses?

273 A. Schedule 3.9 CIPS uses the actual real estate tax expense for 1999 and reduces  
274 that by the percentage applicable to gas plant (as reported by the Company to  
275 the Illinois Department of Revenue) before allocating the remaining amount to  
276 electric delivery services. As the actual 1999 real estate taxes, plus the actual  
277 amount applicable to gas plant, is known, it is appropriate to use the calculation  
278 reflected in Schedule 3.9 CIPS for rates.

279 **PROPERTY TAXES – SPRINGFIELD GENERAL OFFICE BUILDING’S REAL**  
280 **ESTATE TAX**

281 Q. Please describe ICC Staff Exhibit 3.0, Schedule 3.10 CIPS, Adjustment to  
282 Property Taxes – Springfield General Office Building’s Real Estate Tax.

283 A. Schedule 3.10 CIPS, Adjustment to Property Taxes – Springfield General Office  
284 Building’s (“SGOB”) Real Estate Tax, reduces the real estate tax charged against  
285 the SGOB for the portion that is not used and useful for public utility service. The  
286 Company reduces its general plant, depreciation reserve, and depreciation  
287 expense for this unused portion (Ameren Exhibit Nos. 3.3, 3.4, and 3.9 (Revised),  
288 respectively). As real estate tax is based on the whole building, yet a portion is  
289 not used for public utility service, it is appropriate to also reduce this expense for  
290 the unused portion of the building.

291 **PROPERTY TAXES – 9<sup>TH</sup> STREET BUILDING’S REAL ESTATE TAX**

292 Q. Please describe ICC Staff Exhibit 3.0, Schedule 3.11 CIPS, Adjustment to  
293 Property Taxes – 9<sup>th</sup> Street Building’s Real Estate Tax.

294 A. Schedule 3.11 CIPS, Adjustment to Property Taxes – 9<sup>th</sup> Street Building’s Real  
295 Estate Tax, shows the reduction in property taxes necessary to account for the  
296 sale of the 9<sup>th</sup> Street Building. As the sale took place in 2000, the real estate tax  
297 for this building is still included in the total 1999 expense reflected in ICC Staff  
298 Exhibit 3.0, Schedule 3.9 CIPS. As the Company no longer owns this building, this  
299 expense has ceased, and the ratepayers should not be burdened by this cost.

300 **OPERATIONS & MAINTENANCE ADJUSTMENT -- CIPS**

301 **ADMINISTRATIVE & GENERAL OPERATIONS EXPENSES - CHARITABLE**  
302 **CONTRIBUTIONS**

303 Q. Please describe ICC Staff Exhibit 3.0, Schedule 3.12 CIPS, Adjustment to  
304 Charitable Contributions.

305 A. Schedule 3.12 CIPS, Adjustment to Charitable Contributions, adjusts charitable  
306 contribution expenses allowed for rates to remove expenses which are political in  
307 nature. In a response to Staff Data Request 2.06, the Company states that the  
308 contributions in question were to “underwrite 2 WSEC/Sangamo Club Public  
309 Affairs forums featuring U.S. Senator Dick Durbin and U.S. Senator Peter  
310 Fitzgerald.” Sec. 9-227 of the Act states:

311           It shall be proper for the Commission to consider as an operating  
312 expense, for the purpose of determining whether a rate or other charge or  
313 classification is sufficient, donations made by a public utility for the public  
314 welfare or for charitable scientific, religious or educational purposes....

315           As these expenses appear to be more political than charitable, as described by  
316 the Act, Staff is proposing that these expenses be disallowed.

317   **CONCLUSION**

318   Q.     Does this conclude your prepared direct testimony?

319   A.     Yes, it does.

**Central Illinois Public Service Company**  
Adjustment to Materials and Supplies Inventory  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)
1	Materials & Supplies Amount Per Staff	\$ 5,879 (1)
2		
3	Materials & Supplies Amount Per Company	<u>7,635</u> (2)
4		
5	Staff Adjustment	<u>\$ (1,756)</u>
6		
7		
8	Sources:	
9	(1): Calculation of Materials and Supplies, p. 2, Column C, line 5	
11	(2): Ameren Exhibit No. 3.5	

**Central Illinois Public Service Company**  
Adjustment to Materials and Supplies Inventory  
For the Test Year Ended December 31, 1999  
(In Thousands)

Calculation of Staff Materials and Supplies Amount			
Line No.	Description (A)	Amount (B)	13-month average (C)
1	Materials & Supplies	\$ 99,259 (1)	\$ 7,635 (1)
2			
3	Accounts Payable	23.0% of monthly balance	(1,756) (2)
4			
5	Net Balance 13-month average		<u>\$ 5,879</u>
6			
7			
8	Sources:		
9	(1): Ameren Exhibit No. 3.5 and Exhibit AD-022, p. 2		
10	(2): Company response to AD-022		

**Central Illinois Public Service Company**  
Adjustment to Informational and Instructional Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)
1	Advertising Expense Per Staff	\$ 1,288 (1)
2		
3	Advertising Expense Per Company	<u>1,941</u> (2)
4		
5	Staff Adjustment	<u>\$ (653)</u>
6		
7		
8	Sources:	
9	(1): P. 2, Column E, Line 12	
11	(2): Company Workpaper WPAD-040-1a	

**Central Illinois Public Service Company**  
Adjustment to Informational and Instructional Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description of Promotional Advertising Campaigns (A)	External Advertising Costs (B)	Disallowed Ad Campaigns Per Staff (External Costs) (C)	Internal as % of External Costs (D)	Total Advertising Costs (E)
1	Total Informational and Instructional Advertising Expenses -- Account 909	\$ 1,655 (1)		117.2% (2)	\$ 1,941 (3)
2					
3	External Costs for Disallowed Advertising Campaigns:				
4	Environmental, AC90079 (TV), Account 909-029		(248) (1)		
5	Bump In The Night, AC80276 (TV), Account 909-029		(67) (1)		
6	Spring Storms, AC70263 (Radio), Account 909-030		(107) (1)		
7	Environmental, AC90235 (Print), Account 909-028		(63) (1)		
8	Image, AC90031(Outdoor), Account 909-028		(72) (1)		
9					
10	Total Costs of Disallowed Advertising Campaigns		(557) x	117.2%	= (653) (4)
11					
12	Total Informational and Instructional Advertising Expenses -- Account 909 -- Per Staff				<u>\$ 1,288</u>
13					
14					
15	Sources:				
16	(1): Company Workpaper WPAD-040-2a and Response to Staff Data Request BCS 2.03				
17	(2): Column E divided by column B				
18	(3): Company Workpaper WPAD-040-1a, FERC 1 Form, p. 322, Account 909, and Company Response to Staff Data Request BCS 2.03				
19	Per data request response, this includes all internal, external, labor, and AMS allocated costs				
20	(4): Column C times Column D				



**Central Illinois Public Service Company**  
Adjustment to General Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)
1	General Advertising Expense Per Staff	\$ 18 (1)
2		
3	General Advertising Expense Per Company	<u>354</u> (2)
4		
5	Staff Adjustment	<u>\$ (337)</u>
6		
7		
8	Sources:	
9	(1): P. 2, Column B, Line 6	
11	(2): Company Workpaper WPAD-040-1a	

**Central Illinois Public Service Company**  
Adjustment to General Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Advertising Costs (B)
1	Total General Advertising Expense Per Company (Acct 930.1)	\$ 354 (1)
2		
3	Disallowed Costs Per Staff:	
4	Institutional - Newspaper	(337) (1)
5		
6	Total General Advertising Expense Per Staff	<u>\$ 18</u>
7		
8		
9	Source:	
10	(1): Company Workpaper WPAD-040-1a and	
11	Response to Staff Data Request BCS 2.03	

**Central Illinois Public Service Company**  
Adjustment to Illinois Electric Distribution Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	III. Electric Distribution Tax Per Staff	\$ 8,974 (1)
2		
3	III. Electric Distribution Tax Per Company	<u>9,232</u> (2)
4		
5	Staff Adjustment	<u>\$ (258)</u>
6		
7		
8	Sources:	
9	(1): Staff calculation of the Electric Distribution Tax, p. 2, Column D, Line 13	
10	(2): Ameren Exhibit No. 3.10	

**Central Illinois Public Service Company**  
Adjustment to Illinois Electric Distribution Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

**Calculation of Illinois Electric Distribution Tax**

Line No.	Illinois Electric Distribution Tax Breakdown (A)	Kilowatt-Hours (B)	Remaining Kilowatt-Hours (C)	1999 Actual Tax Expense (A) * (B) (D)	1999 Actual Kilowatt-Hours Distributed (E)
1					8,538,571,495 (1)
2					
3	First 500 million kwh ( x \$.00031)	500,000,000	8,038,571,495	\$ 155	
4					
5	Next 1 billion kwh (x \$.0005)	1,000,000,000	7,038,571,495	500	
6					
7	Next 2.5 billion kwh (x \$.0007)	2,500,000,000	4,538,571,495	1,750	
8					
9	Next 4 billion kwh (x \$.0014)	4,000,000,000	538,571,495	5,600	
10					
11	Next 7 billion kwh (x \$.0018)	538,571,495	-	969	
12					
13	Electric Distribution Tax per Staff			<u>\$ 8,974</u>	

Source:

(1): Form 21 ILCC, page 6 and Company Electric Distribution Tax Return (ICT-4)

**Central Illinois Public Service Company**  
Adjustment to Social and Service Club Membership Dues  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Social and Service Club Membership Descriptions</u>	<u>Per Staff</u>	<u>Per Company</u>	<u>Proposed Adjustment</u>
	(A)	(B)	(C)	(D)
1	Chamber of Commerce -- Various Locations	\$0	\$27 (1)	(27)
2	Illinois Energy Association	0	6 (1)	(6)
3				
4	Staff Adjustment	\$0	\$33	\$ (33)
5				

Source:

(1): Company workpaper WP-AD-038-1 and Company Response to Data Request BCS 2.08

**Central Illinois Public Service Company**  
Adjustment to Interest on Customer Deposits  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	Interest on Customer Deposits Per Staff	\$ 138 (1)
2		
3	Interest on Customer Deposits Per Company	<u>112 (2)</u>
4		
5	Staff Adjustment	<u>\$ 26</u>
6		
7		
8	Sources:	
9	(1): Calculation of Interest on Customer Deposits, page 2, Column E, Line 14	
10	(2): Ameren Exhibit No. 3.8	

**Central Illinois Public Service Company**  
Adjustment to Interest on Customer Deposits  
For the Test Year Ended December 31, 1999  
(In Thousands)

**Calculation of Interest on Customer Deposits**

Line No.	Month (A)	Customer Deposit Amount (1) (B)	Interest Rate (2) (C)	Interest Amount (B) * (C) (D)	Monthly Interest (D)/12 (E)
1	January, 1999	\$ 2,208	6.00%	\$ 132	\$ 11
2	February, 1999	2,247	6.00%	135	11
3	March, 1999	2,269	6.00%	136	11
4	April, 1999	2,293	6.00%	138	11
5	May, 1999	2,271	6.00%	136	11
6	June, 1999	2,266	6.00%	136	11
7	July, 1999	2,211	6.00%	133	11
8	August, 1999	2,239	6.00%	134	11
9	September, 1999	2,351	6.00%	141	12
10	October, 1999	2,338	6.00%	140	12
11	November, 1999	2,416	6.00%	145	12
12	December, 1999	2,488	6.00%	149	<u>12</u>
13					
14	Total				<u>\$ 138</u>

Sources:

- (1): Company Work Paper WPAD-027  
(2): Order in Docket No. 00-0772

**Central Illinois Public Service Company**  
Adjustment for Edison Lobbying Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Company Allocation	Jurisdictional Allocation	Amount (B)	
1	Jurisdictional Edison Electric Institute Dues, per Staff			\$68	(1)
2	Jurisdictional Edison Electric Institute Dues, per Company	270	34.33%	93	(2)
3					
4	Staff Adjustment			(\$25)	
5					
6					
7	Sources:				
8	(1): Reduction of total dues by 26.63% for Legislative and Regulatory Advocacy Expense, p. 2, Column D, Line 6				
9	(2) Response to Data Request BCS 2.09				



**Central Illinois Public Service Company**  
Adjustment for Lobbying Expenses  
For the Test Year Ended December 31, 1999

Line No.	Year	Edison Electric Institute Activities: Legislative Advocacy	Edison Electric Institute Activities: Regulatory Advocacy	Total Advocacy (B) + (C)
	(A)	(B)	(C)	(D)
1	1995	19.70%	8.64%	28.34%
2	1996	17.59%	7.24%	24.83%
3	1997	19.37%	7.86%	27.23%
4	1998	16.30%	9.83%	26.13%
5				
6	Average			26.63%

Source:

(1): NARUC Staff Subcommittee on Utility Association Oversight in conjunction  
with the Audit Report on the Expenditures of the Edison Electric Institute.

**Central Illinois Public Service Company**  
Adjustment to Reserve for Depreciation and Amortization  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)
1	Reserve for Depreciation and Amortization Per Staff	\$ (17,336) (1)
2		
3	Reserve for Depreciation and Amortization Per Company	<u>(17,535) (2)</u>
4		
5	Staff Adjustment	<u>\$ 199</u>
6		
7		
8	Sources:	
9	(1): Page 2, Column C, Line 7	
10	(2): Ameren Exhibit No. 3.4	

**Central Illinois Public Service Company**  
Adjustment to Reserve for Depreciation and Amortization  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Depreciation Reserve Reductions (B)	Amount (C)
1	General Plant Reserve for Depreciation and Amortization		\$ (18,018) (1)
2			
3	Reductions to Depreciation Reserve:		
4	Springfield General Office Building -- Unused Portion	401 (1)	
5	Sale of 9th Street Building	281 (2)	
6	Total Reduction in Depreciation Reserve Per Staff		682
7			
8	Reserve for Depreciation and Amortization Per Staff		<u>\$ (17,336)</u>
9			
10			
11	Sources:		
12	(1): Ameren Exhibit No. 3.4		
13	(2): Page 3, Column D, Line 4		

**Central Illinois Public Service Company**  
Adjustment to Reserve for Depreciation and Amortization  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description	Building Sale	Gas Allocation 12.48% (1)	Delivery Services Allocation ((B)-(C))*34.33% (1)
	(A)	(B)	(C)	(D)
1	9th Street Building -- Investment	\$ 1,825 (1)		
2	9th Street Building -- Sale Price (Salvage)	(889) (1)		
3				
4	Charge to Depreciation Reserve	\$ 936 (2)	117	\$ 281
5				
6				
7	Sources:			
8	(1): Company response to ICC Staff Data Request BCS 3.01			
9	(2): 83 Ill. Adm. Code 415, Electric Plant Accounting Instruction 10 F: "The book cost less net salvage of depreciable			
10	electric plant retired shall be charged in its entirety to account 108, Accumulated Provision for Depreciation of			
11	Electric Plant in Service."			

**Central Illinois Public Service Company**  
Adjustment to Property Taxes -- Gas/Electric Allocation of Real Estate Taxes  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)
1	Property Taxes Per Staff	\$ 2,639
2		
3	Property Taxes Per Company	<u>2,780</u>
4		
5	Staff Adjustment	<u>\$ (141)</u>
6		
7		
8	Sources:	
9	(1) Source: Calculation of Property Taxes, page 2, Column E, line 5	
10	(2) Source: Ameren Exhibit No. 3.10	

**Central Illinois Public Service Company**  
Adjustment to Property Taxes -- Gas/Electric Allocation of Real Estate Taxes  
For the Test Year Ended December 31, 1999

**Calculation of Staff Proposed Property Taxes**

Line No.	Description	Total Company 1999 Provision	Gas Portion (9.915)%	Electric Plant Real Estate Taxes (B) - (C)	Delivery Services Jurisdictional Allocation (35.95%) * (D) (2)
	(A)	(B)	(C)	(D)	(E)
1	Illinois Real Estate Taxes	\$ 7,961 (1)	789 (1)	7,171	\$ 2,578
2					
3	Illinois Franchise Tax			170 (2)	<u>61</u>
4					
5	Total Jurisdictional Property Taxes				<u>\$ 2,639</u>
6					
7					

Sources:

- (1): Discussion with Joseph Meyer, Ameren Supervisor of Ad Valorem Taxes as a result of Company response to Data Request BCS 2.13. In conjunction with this discussion, related documents, including a spreadsheet prepared by Mr. Meyer showing Total Company 1999 Property Tax Provision and ICT-4 (showing Gas Plant as a percentage of Total Plant). As explained by Mr. Meyer, the amount on the ICT-4 is the relevant amount in allocating real estate taxes to gas plant.
- (2): Company workpaper WP-AD-010-3

**Central Illinois Public Service Company**  
Adjustment to Property Taxes -- Springfield General Office Building's Real Estate Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	Property Taxes Per Staff	\$ 2,604 (1)
2		
3	Property Taxes Per Staff Adjustment on Schedule 3.9 CIPS	<u>2,639</u> (2)
4		
5	Staff Adjustment	<u>\$ (36)</u>
6		
7		
8	Sources:	
9	(1): Calculation of Property Taxes, page 2, Column D, Line 14	
10	(2): ICC Staff Exhibit 3.0, Schedule 3.9 CIPS	

**Central Illinois Public Service Company**  
Adjustment to Property Taxes -- Springfield General Office Building's Real Estate Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

**Calculation of Staff Proposed Property Taxes**

Line No.	Description	Total Company 1999 Real Estate Tax (B)	1999 Real Estate Tax for Electric Plant (C)	Total Delivery Services Property Taxes (D)
1	Property Taxes Per Staff Proposed Adjustments			\$ 2,639 (1)
2				
3	Total 1999 Real Estate Tax Provision -- SGOB	\$ 242 (2)		
4				
5	Reduction for Gas Portion (12.48%) (3)	(30)		
6	Electric Portion of Real Estate Tax Bill		212	
7				
8	Electric Delivery Services Allocation (35.95%) (4)		76	
9			x	
10	Not Used and Useful Portion of Allocation		46.67% (3)	
11				
12	Adjustment for SGOB Portion Not Used for Electric Utility Service			(36)
13				
14	Total Jurisdictional Property Taxes			\$ 2,604
15				
16				
17	Sources:			
18	(1): ICC Staff Exhibit 3.0, Schedule 3.8 CIPS			
19	(2): See Source 1 ICC Staff Exhibit 3.0, Schedule 3.9, Page 2. Also, Property Tax Bill for SGOB Obtained from Joseph Meyer.			
20	(3): Ameren Exhibit AD-017.1			
21	(4): Ameren Exhibit AD-049, Page 2			



**Central Illinois Public Service Company**  
Adjustment to Property Taxes -- 9th Street Building's Real Estate Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	Property Taxes Per Staff	\$ 2,589 (1)
2		
3	Property Taxes Per Staff Adjustment on Schedule 3.10 CIPS	<u>2,604</u> (2)
4		
5	Staff Adjustment	<u>\$ (15)</u>
6		
7		
8	(1) Source: Calculation of Property Taxes, page 2, Column E, Line 6	
9	(2) Source: ICC Staff Exhibit 3.0, Schedule 3.10 CIPS	

**Central Illinois Public Service Company**  
Adjustment to Property Taxes -- 9th Street Building's Real Estate Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

**Calculation of Staff Proposed Property Taxes**

Line No.	Description (A)	Total Company 1999 Provision for 9th St. Building (B)	Gas Portion (11.31)% (2) (C)	Electric Plant Real Estate Taxes (B) - (C) (D)	Delivery Services Jurisdictional Allocation 35.95% * (D) (E)
1	Property Taxes Per Staff Proposed Adjustments				\$ 2,604 (3)
2					
3	Decrease in Illinois Real Estate Taxes	\$ (46) (1)	(5)	(41)	(15)
4	due to sale of 9th St. Building				
5					
6	Total Jurisdictional Property Taxes				<u>\$ 2,589</u>
7					
8					
9	Sources:				
10	(1): See Source 1 on ICC Staff Exhibit 3.0, Schedule 3.9, Page 2. Also, Property Tax Bill for 9th Street Building Obtained from Joseph Meyer.				
11	(2): Company response to Data Request BCS 3.03				
12	(3): ICC Staff Exhibit 3.0, Schedule 3.9 CIPS				

**Central Illinois Public Service Company**  
Adjustment to Charitable Contributions  
For the Test Year Ended December 31, 1999  
(In Thousands)

<u>Line No.</u>	<u>Description of Charitable Contribution</u> (A)	<u>Per Staff</u> (B)	<u>Per Company</u> (C)	<u>Proposed Adjustment</u> (D)
1	Convocom	\$0	\$3 (1)	(\$3)
2	WMEC/WQEC/WSEC	0	6 (1)	(6)
3				
4	Staff Adjustment	<u>\$0</u>	<u>\$9</u>	<u>(\$9)</u>
5				

Source:

(1): Company workpaper WP-AD-039-1, and Company Response to Data Request BCS 2.06.

**Union Electric Company**  
Adjustment to Materials and Supplies Inventory  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	Materials & Supplies Amount Per Staff	\$ 874 (1)
2		
3	Materials & Supplies Amount Per Company	<u>1,135 (2)</u>
4		
5	Staff Adjustment	<u>\$ (261)</u>
6		
7		
8	Sources:	
9	(1): Calculation of Materials and Supplies, p. 2, Column C, Line 5	
10	(2): Ameren Exhibit No. 3.15	

**Union Electric Company**  
Adjustment to Materials and Supplies Inventory  
For the Test Year Ended December 31, 1999  
(In Thousands)

Calculation of Staff Materials and Supplies Amount			
Line No.	Description (A)	Amount (B)	13-Month Average (C)
1	Materials & Supplies	\$ 14,759 (1)	\$ 1,135 (1)
2			
3	Accounts Payable	23.0% of monthly balance (2)	(261)
4			
5	Net Balance 13-month average		\$ 874
6			
7			
8	Sources:		
9	(1): Ameren Exhibit No. 3.15 and Exhibit AD-022, p. 2		
10	(2): Company response to AD-022		

**Union Electric Company**  
Adjustment to Informational and Instructional Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)	
1	General Advertising Expense Per Staff	\$ 111	(1)
2			
3	General Advertising Expense Per Company	<u>163</u>	(2)
4			
5	Staff Adjustment	<u>\$ (51)</u>	
6			
7			
8	Sources:		
9	(1): P. 2, Column E, Line 11		
11	(2): Company Workpaper WPAD-040-1a		

**Union Electric Company**  
 Adjustment to Informational and Instructional Advertising Expenses  
 For the Test Year Ended December 31, 1999  
 (In Thousands)

Line No.	Description of Promotional Advertising Campaigns (A)	External Advertising Costs (B)	Disallowed Ad Campaigns Per Staff (External Costs) (C)	External as % of Internal Costs (D)	Total Advertising Costs (E)
1	Total Informational and Instructional Advertising Expenses -- Account 909	111 (1)		146.68% (2)	163 (3)
2					
3	External Costs for Disallowed Advertising Campaigns:				
4	Environmental, AC90079 (TV), Account 909-029		(21) (1)		
5	Bump In The Night, AC80276 (TV), Account 909-029		(8) (1)		
6	Spring Storms, AC70263 (Radio), Account 909-030		(3) (1)		
7	Environmental, AC90235 (Print), Account 909-028		(3) (1)		
8					
9	Total Costs of Disallowed Advertising Campaigns		(35) ×	146.68%	= (51) (4)
10					
11	Total Informational and Instructional Advertising Expenses -- Account 909 -- Per Staff				\$ 111
12					
13					
14	Sources:				
15	(1): Company Workpaper WPAD-040-2a and Response to Staff Data Request BCS 2.03				
16	(2): Column E divided by column B				
17	(3): Company Workpaper WPAD-040-1a, FERC 1 Form, p. 322, Account 909, and Company Response to Staff Data Request BCS 2.03				
	Per data request response, this includes all internal, external, labor, and AMS allocated costs				
	(4): Column C times Column D				

**Union Electric Company**  
Adjustment to General Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	General Advertising Expense Per Staff	\$ 1 (1)
2		
3	General Advertising Expense Per Company	<u>74</u> (2)
4		
5	Staff Adjustment	<u>\$ (73)</u>
6		
7		
8	Sources:	
9	(1): P. 2, Column C, Line 9	
11	(2): Company Workpaper WPAD-040a	



**Union Electric Company**  
Adjustment to General Advertising Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description	Disallowed Costs	Jursidictional Advertising Costs (1)
	(A)	(B)	(C)
1	Total General Advertising Expense Per Company (Acct 930.1)		\$ 74
2			
3	Disallowed Costs Per Staff:		
4	Institutional - Newspaper		(73) (1)
7			
8	Total General Advertising Expense Per Staff		<u>\$ 1</u>
9			
10			
11	Source:		
12	(1): Company Workpaper WPAD-040a and		
13	Response to Staff Data Request BCS 2.03		
14			

**Union Electric Company**  
Adjustment to Illinois Electric Distribution Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	III. Electric Distribution Tax Per Staff	\$ 2,140 (1)
2		
3	III. Electric Distribution Tax Per Company	<u>2,385</u> (2)
4		
5	Staff Adjustment	<u>\$ (245)</u>
6		
7		
8	Sources:	
9	(1): Page 2, Column D, Line 9	
10	(2): Ameren Exhibit No. 3.20	

**Union Electric Company**  
Adjustment to Illinois Electric Distribution Tax  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Illinois Electric Distribution Tax Breakdown (A)	Kilowatt-Hours (B)	Remaining Kilowatt-Hours (C)	1999 Actual Tax Expense (D)	1999 Actual Kilowatt-Hours Distributed (E)
1					3,621,194,000 (1)
2					
3	First 500 million kwh ( x \$.00031)	500,000,000	3,121,194,000	\$ 155	
4					
5	Next 1 billion kwh (x \$.0005)	1,000,000,000	2,121,194,000	500	
6					
7	Next 2.5 billion kwh (x \$.0007)	2,121,194,000	-	1,485	
8					
9	Electric Distribution Tax per Staff			<u>\$ 2,140</u>	
10					
11					
12	Source:				
13	(1): Form 21 ILCC, page 6				

**Union Electric Company**  
Adjustment to Social and Service Club Membership Dues  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description of Promotional Advertising Campaigns (A)	Per Staff (B)	Per Company (1) (C)	Staff Adjustment (D)
1	Leadership Council of Southwestern Illinois	\$0	\$4	(\$4)
2	River Bend Growth Association	0	3	(3)
3	Chamber of Commerce -- Various Locations	0	1	(1)
4				
5	Staff Adjustment	\$0	\$8	(\$8)
6				
7				
8	Source:			
9	(1): Company workpaper WPAD-038, and Company Response to Data Request BCS 2.08			

**Union Electric Company**  
Adjustment to Interest on Customer Deposits  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Amount (B)
1	Interest on Customer Deposits Per Staff	\$ 35 (1)
2		
3	Interest on Customer Deposits Per Company	<u>29 (2)</u>
4		
5	Staff Adjustment	<u><u>\$ 6</u></u>
6		
7		
8	Sources:	
9	(1): Calculation of Interest on Customer Deposits, page 2, Column E, Line 14	
10	(2): Ameren Exhibit No. 3.18, page 2	

**Union Electric Company**  
Adjustment to Interest on Customer Deposits  
For the Test Year Ended December 31, 1999  
(In Thousands)

Calculation of Interest on Customer Deposits

Line No.	Month (A)	Customer Deposit Amount (1) (B)	Interest Rate (2) (C)	Interest Amount (D) (BxC)	Monthly Interest (E)
1	January, 1999	\$ 551	6.00%	\$ 33	\$ 3
2	February, 1999	545	6.00%	33	3
3	March, 1999	545	6.00%	33	3
4	April, 1999	547	6.00%	33	3
5	May, 1999	547	6.00%	33	3
6	June, 1999	552	6.00%	33	3
7	July, 1999	563	6.00%	34	3
8	August, 1999	584	6.00%	35	3
9	September, 1999	597	6.00%	36	3
10	October, 1999	610	6.00%	37	3
11	November, 1999	628	6.00%	38	3
12	December, 1999	638	6.00%	38	3
13					
14	Total				<u>\$ 35</u>

Sources:

(1): Company Work Paper WPAD-027-1b

(2): Order in Docket No. 00-0772

**Union Electric Company**  
Adjustment for Lobbying Expenses  
For the Test Year Ended December 31, 1999  
(In Thousands)

Line No.	Description (A)	Company Allocation	Jurisdictional Allocation	Amount (B)
1	Jurisdictional Edison Electric Institute Dues, per Staff			\$11 (1)
2	Jurisdictional Edison Electric Institute Dues, per Company	724,385	2.06%	15 (2)
3				
4	Staff Adjustment			(\$4)
5				
6				
7	Sources:			
8	(1): ICC Staff Exhibit 3.0, pages 10 and 11 ; Reduction of total dues by 26.64% for Legislative and Regulatory Advocacy Expense			
9	(2): Response to Data Request BCS 2.09			

**Union Electric Company**  
Adjustment for Lobbying Expenses  
For the Test Year Ended December 31, 1999

Line No.	Year	Edison Electric Institute Activities: Legislative Advocacy	Edison Electric Institute Activities: Regulatory Advocacy	Total Advocacy (B) + (C)
	(A)	(B)	(C)	(D)
1	1995	19.70%	8.64%	28.34%
2	1996	17.59%	7.24%	24.83%
3	1997	19.37%	7.86%	27.23%
4	1998	16.33%	9.83%	26.16%
5				
6	Average			26.64%

Source:

(1): NARUC Staff Subcommittee on Utility Association Oversight in conjunction  
with the Audit Report on the Expenditures of the Edison Electric Institute.